

dollars, adjusted for inflation, which is even larger than the amount that appears on paper because, as you know, the dollars were becoming always a little bit less valuable each year.

So when President Bush campaigned on strengthening the military, he took action to do that. So in 2002, we hit, under his leadership and his direction—and I think he deserves great credit for this—we raised the budget to \$329 billion, exceeding, for the first time in many years, the 1993 budget of \$327 billion.

Then, in the course of that, we have had the war effort that we have been carrying on now against terrorism, and there has been a supplemental defense budget of around \$40 billion for defense this past year to help us meet those crisis needs.

In this year's budget, President Bush has proposed—and we are pretty much on track to meet his request—\$376 billion for defense. I think that is a step in the right direction.

I am saying these things because a lot of people think we cannot afford anything, that defense is taking up all the money in the budget. But as a percentage of the total gross domestic product of America, what America produces—all the goods and services we produce—our budget today, for the year 2003, is much less than the percentage of the gross domestic product we had in 1993 when we had an only slightly smaller defense budget in terms of inflation-adjusted dollars, as well as in terms of the actual drain on the economy.

So what we need to do is ask ourselves where we are going. This budget does not call for an increase in personnel. It calls for, again, some pay increases, a cost for more training, bonuses for people in high-specialty areas whom we have to have in a military which operates with as much technological sophistication as we operate in today. That does not produce anything.

We have risen to the challenge and have met the needs of our veterans for health care coverage for life, which they were promised and were not receiving. We have done that. We will do some other things in that regard.

Military housing has fallen behind in its needs. Military health care has not been what it has needed to be. We have fallen off there.

So all of these things, I guess I am saying, are unmet needs that we have had to fund out of the increases that we have had. And it has left us not as good as we would like to be in recapitalizing our military. It is not as good as where we would need to be to step forward to reach that objective we have for a future combat system that allows us to be agile, mobile, and hostile, as Eddie Robinson said, to make our military able to project its power wherever the legitimate interests of the United States are threatened around the globe.

So I think we do have some good increases. We are going to have increases

for smart munitions, the kind of precision-guided munitions that proved exceedingly valuable in Afghanistan. Sixty, almost 70 percent of the munitions we expended in Afghanistan were precision-guided munitions.

We can drop a 2,000-pound JDAM from an airplane, and it can hit—precision guided with global positioning systems—within 10 meters of a target. That is a precision weapon of extraordinary capability. We need to have plenty of those. We have an increase in what we have expended for that. Frankly, I am not sure we have quite enough yet there. We dog gone sure don't want to be in a war and not be able to call down sufficient numbers of those kinds of weapons that are so effective today. So we have done that.

We made a tough call—the Defense Secretary did—on the Crusader artillery piece. It is an \$11 billion item. It was not considered part of the objective force but an interim weapon system before we could get that. It was going to drain us of \$11 billion. For example, it would not have been deployed by the Army in Korea. It would have been kept in this country in the counterattack force.

The Secretary of Defense and the President concluded we could not afford that new weapon and that we need to leap forward to a new type of artillery piece that had precision-guided capability. We have those, really, right now. If we work and develop them, we could bring those in, and they would be part of that new combat system we are looking forward to having.

So the President and Secretary Rumsfeld had to make that tough call. A lot of people wanted that system. They had invested a lot of years in it and developing it. They testified in favor of it, and they voted in favor of it. But I think the President did the right thing. I supported him on that. It will free up \$11 billion for increased investment in smarter munitions that will help us better in the future.

So the other big conflict I guess we have had—and I believe it is very significant, and I hope the American people will be engaged on it—is the question of national missile defense.

We know, from unclassified testimony by professionals from the Director of the CIA, George Tenet, and from the Director of the Defense Intelligence Agency, who studies these things exceedingly closely, that Korea will have an intercontinental ballistic missile from which they can deliver weapons of mass destruction to Alaska and Hawaii and the United States proper very soon.

The ACTING PRESIDENT pro tempore. The Senator has used 10 minutes.

Mr. SESSIONS. I see my friend in the Chamber, Senator DORGAN.

I will just finish up, if I can, and say that we are making progress. We will have a debate on national missile defense. If we can get the money back for that, I believe we will have a defense budget of which we can all be proud.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Madam President, my colleague just mentioned national missile defense. I think we will have a robust, aggressive debate on that subject in the Senate. We all agree that we need a defense of some sort against rogue nations or terrorists aiming a missile at our country.

But we need to look at the broad range of threats that this country faces. We have 5.7 million containers come into our ports every year on container ships; 100,000 of them are inspected; the other 5.6 million are not. Almost anyone will tell you it is far more likely that a weapon of mass destruction is going to come in on a container ship, coming to a dock at 2 miles an hour to threaten an American city or to be put on an 18-wheel truck and moved out to the middle part of the country. Almost anyone will tell that you the low-tech approach to threatening America with a weapon of mass destruction is much more likely than a terrorist having access to an intercontinental ballistic missile and putting a nuclear tip on that ICBM.

I have supported billions and billions of dollars on research and development of missile defense. But that is not the only threat we face. We face so many other threats that are largely ignored. I just mention the one with respect to port security: 5.7 million big containers come in every single year, and 5.6 million are uninspected.

In the Middle East, a terrorist put himself in one of these containers. He had fresh water, a heater, a GPS, a computer, a bed, and he was shipping himself to Canada in a container.

It is likely that terrorists will threaten this country not with a high-tech weapon but by putting a weapon of mass destruction in a container on a ship coming up to a port at 1 or 2 miles an hour, not an ICBM.

So we need to have a debate in terms of how we use our resources. Do we put them all in one pot, or do we evaluate what is the most likely threat? How do we respond to that threat?

#### AMTRAK

Mr. DORGAN. Madam President, I rise to talk about Amtrak. As we did last week, this morning we hear on the news that there is a proposal to shut down our Amtrak rail passenger service in the middle of this week. Why? Because Amtrak needs the resources to continue and lacks them. You know, you often hear that it is so-and-so's job to keep the trains running on time. Well, it has to be somebody's job to keep the trains running, period. It makes no sense for us to be here on a Monday wondering whether Amtrak will shut down on a Wednesday.

In North Dakota, we have Amtrak service; 82,000 North Dakotans boarded Amtrak last year as the trains came through and stopped at many points. I

happen to think Amtrak is critically important as a part of our transportation system.

Every other form of transportation is subsidized. We have people saying: Let's not subsidize Amtrak. Why not? Every other country in the world provides a subsidy for their rail passenger service. I think our country is justified in doing so to keep that rail passenger service working.

The Secretary of Transportation has a plan that would virtually destroy Amtrak as we know it. He says: Let's take the Northeast corridor out, Boston to Washington, DC, and separate it from the rest. That is a sure-fire way to kill the rest of Amtrak service for the country. It is a huge step backwards; that is not progress.

We must ask the Secretary and the administration not only to announce Wednesday that there is financing to have Amtrak continue, but also to work with those of us in Congress who want to ensure the long-term future of rail passenger service.

#### TRADE DEFICITS

Mr. DORGAN. Madam President, last Wednesday the Commerce Department reported that the monthly trade deficit for April 2002 was \$35.5 billion. That deficit is for both goods and services. The deficit in goods alone was \$39.9 billion.

Every single day, 7 days a week, we import \$1 billion more in goods than we export, and we charge the difference. What does that mean on an annual basis? Deficits on the order of \$400 billion dollars, and climbing.

As you can see in this chart, the trade deficit is totally out of control. In fact, when we try to put in the 2002 numbers, we will be somewhere off the chart, around \$480 billion.

These trade deficits are to a large extent the result of bad trade agreements, particularly those entered into under fast-track authority. This Senate, without my vote, just embraced fast-track trade authority so that the President can negotiate another trade agreement. I didn't believe President Clinton should have that trade authority, and I don't believe this President should either.

This next chart shows the increases in trade deficits as we entered into one bad trade agreement after another. You see what has happened since 1976. The deficit line goes up, up, up, and up—the highest trade deficits in human history.

Nobody seems to think much of it. You didn't hear one whisper last Wednesday when it was announced we had the largest monthly trade deficit in the history of this country.

Where are all the exports that we were promised as a result of fast-track trade agreements? Do you know what our number one export item has become? American jobs. That is the biggest export as a result of the trade agreements. You can see from the

trade deficits we have that these trade agreements simply aren't working.

Who pays these deficits? The American people have to pay for these deficits at some point. You can make the case with respect to budget deficits that it is money we owe to ourselves. You can't make that case with the trade deficit. The trade deficit we owe to others, to people living in other countries. We will pay trade deficits with a lower standard of living. That is why it is so dangerous.

Today, as I speak, the financial markets are very unsettled. Day after day after day, we see a further collapse of the stock market, the financial markets.

Why is that the case? Because there is a sense that our fundamentals don't work. We are deep in red ink, drowning in trade deficits, and nobody here seems to give a darn at all. It is dangerous for our country.

Our negotiators go overseas and negotiate a trade deal, and in an instant they lose. I have said it 100 times, but it is worth saying again, in the words of Will Rogers: the United States of America has never lost a war and never won a conference. He must surely have been thinking about our trade negotiators.

We have bad agreements in 100 different ways: Bad agreements with China, with Japan, South Korea, Europe, and others. With Europe we have a dispute over market access for U.S. beef. The EU does not let in our beef when the cattle have been fed hormones, even though there is no evidence to support this ban. So we take the EU to the WTO, and we argue that we are entitled to sell our beef in Europe. The WTO agrees, and tells the EU to let our beef into their market. And the EU just thumbs its nose, and says forget it.

So we say: All right, we are going to get tough, and retaliate against you. And how does the United States get tough? We say: We will slap you with penalties on truffles, goose liver, and Roquefort cheese. That is enough to put the fear of God into almost any country.

Well, when Europe wants to retaliate against our country over a trade dispute, as they did in the case of U.S. tariffs against European steel, Europe goes after hundreds of millions of dollars of U.S. steel, textiles, and citrus products. We, on the other hand, are retaliating by saying: We will nail you on truffles, goose liver, and Roquefort cheese.

I am sorry, but where is our backbone? Does this country have any guts to stand up for its producers and its workers?

So last month, we had the largest monthly trade deficit in human history. Does anybody here care? I think eventually we will have to reconcile for this failure in policy. It is not just a failure with this administration—although this administration certainly has played a part—it is a failure of past

administrations and every administration going back 20, 30 years. They have embraced policies that have us in a situation where we have long-term, relentless deficits with the Japanese, \$60 billion, \$70 billion a year every single year with Japan. And 14 years after we had a beef agreement with Japan, there is a 38.5 percent tariff on every pound of beef going into Japan.

I mentioned the Japanese beef agreement, which was described as a big success by those who negotiated. Yet, 12 and 14 years later, we have this huge tariff on every pound of American beef going into Japan. Nobody says much about it. We have a large trade deficit with Japan.

We have 630,000 cars coming here from Korea every year. We are able to ship them only 2,800. When you raise that issue, and point out that they are shipping us 630,000 Korean cars into the American marketplace and allowing only 2,800 American cars into Korea, they say: yes, but your exports used to be 1,300 cars and now they have doubled. So if you hear trade negotiators talk and they say "we doubled the amount of American cars we shipped to Korea"—well, yes, from 1,300 to 2,800. But the Koreans send us 630,000 in a year.

Our trade policies are failing badly. Nobody seems to care much about it. There is not a whisper about this huge trade deficit on the floor of the Senate—just following the Senate agreeing to extend fast track trade authority to the President.

Because the time is limited, and we are going to the defense authorization bill, I will defer a longer speech on international trade to a later time. But Mr. President, it is fascinating to me that last Thursday we heard the announcement of the largest trade deficit in history, and you could not hear a voice in this town raise a point that this is a serious problem for this country's economy. It is long past the time to have a real debate about our country's trade policies and about these growing, relentless trade deficits that cause great danger to the American economy.

I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. NELSON of Nebraska). Morning business is closed.

#### NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2514, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2514) to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, for military construction, and for defense activities of the